

EXHIBIT 2

From: Steven J. Rosenwasser [rosenwasser@bmelaw.com]
Sent: Saturday, December 18, 2010 5:04 AM
To: Elias, Brad
Cc: Elizabeth G. Eager; Nicole G. Iannarone
Subject: RE: TASER - Court Order

Brad,

Thank you for your email below. As you know, Plaintiffs have repeatedly expressed concern that through removal, the motion to dismiss and the motion to stay (and other actions), ML and ML Pro have prejudiced Plaintiffs ability to obtain discovery and advance this case forward. Indeed, we believe that we have already lost important time in discovery by not having the documents and telephone recordings produced earlier. Therefore, while we are willing to discuss discovery with you: (1) it needs to please be done on a very timely basis to avoid any more delay and (2) we reserve all rights to seek appropriate relief for the time we have already lost.

With that context, I said forth below our proposed compromises on ESI/hard copy documents for ML Pro and for the telephone recordings. We ask that you please let us know by noon on Wednesday whether you will agree to these proposals.

ESI/Hard Copy Documents and Data

As I previously indicated, we would like to treat discovery of ML Pro in substantially the same manner as discovery with the other defendants (i.e., we agree on custodians and keywords, and you will produce any documents captured by that process that are responsive to our document requests or refer or address the "conduct at issue" as defined in the Court Stipulation). Our proposal on custodians is:

Collin Carico
Bill Stein
Mark Bowie
Lisa Burke
Ellen Liszka
David Nolan
Al Cooper
Dennis Rowe
Pete Dorenbos
Steve Wizniuk
Donna Miller
Peter Melz (limited to new keywords, see below)
Thomas Tranfaglia (limited to new keywords, see below)
Linda Messinger (limited to new keywords, see below)

In addition, we ask that you identify and provide ESI for:

1. The primary point(s) of contact for Cutler Group, Sallerson-Troop, Group One, Susquehanna, Knight Capital, LaBranche, Jeff Wolfson, Keystone, Market Street. By "primary point(s) of contact" we are referring to the person(s) to whom those organizations most frequently called to: (a) execute/clear a trade or transaction (including conversions and flexes); (b) discuss, order or organize a conversion, flex, married option transaction or (c) for customer service matters. If the person changed over the Time Period (i.e., Jan 1. 2003 to May 31, 2009), we would want his/her replacement.

2. Any person(s) who oversaw, supervised or ran any reviews, analyses or reports relating to: (a) Reg SHO compliance; and (b) conversions, reverse conversions or flex options.

3. Jeff Wolfson to the extent he, at any time, had or maintained an email account or address.

In terms of keywords, we would ask that you search for the following:

TASER or TASRE or TASR or 87651b104 or *qur*
violat* or illeg* or circumvent
"reg sho" or "reg* sho"
conversion
flex or flex*
ftd
fail* w/5 delive*
hazan or hcm
arenstein or aronstein or sba or ala or ata
cutler and ("buy in" or "buy-in" or fail* or investig* or locat*)
(g1 or "group one) and ("buy in" or "buy-in" or fail* or investig* or locat*)
(hcm or hazan) and ("buy in" or "buy-in" or fail* or investig* or locat*)
(sba or arenstein or ala or ata or lrs) and ("buy in" or "buy-in" or fail* or investig* or locat*)
(wolfson or saller*) and ("buy in" or "buy-in" or fail* or investig* or locat*)
(sgi or susq*) and ("buy in" or "buy-in" or fail* or investig* or locat*)
(keystone or "market street") and ("buy in" or "buy-in" or fail* or investig* or locat*)
negative w/25 borro*
dnf or "do not flip"
flip* w/10 (pierce or MLPFS or MLPF&S or negative)
(mm or "market maker") w/5 (excep* or exempl* or fai*)
rol* w/5 (optio* or positi* or fai* or short)
"atlanta, georgia" or alpharetta or buckhead or lenox or peachtree or "iad-atl"

We note that for those custodians that you previously searched (e.g., Melz, Tranfaglia, Messinger), we are only asking you to use keywords that have not previously been searched (e.g., you need not research for the keyword TASER, but should search for conversion).

Telephone Recordings

1. We understand that you do not have any telephone recordings for Messinger, Tranfaglia, Dorenbos, Bowie, Al Cooper, Rowe or Melz. Please confirm that is correct.

2. Assuming (1) is correct, we ask that you please produce any responsive telephone recordings (and transcripts if any) for the following custodians: Collin Carrico, Ellen Lizska, David Nolan and Bill Stein. To reduce any claim of burden, we are willing to limit our request as follows:

a. You need only review and produce responsive telephone recordings for the following time periods:
February 1-April 1, 2005; November 15, 2005 to March 1, 2006; and August 15-October 30, 2006.

b. You can also exclude any communications engaged in by Carrico, Lizska, Nolan or Stein that do not involve or refer to Scott/Brian Arenstein, Steve Hazan, Peter Melz, Thomas Tranfaglia, TASER, conversions, flex options, threshold securities, hard to borrow or negative rate stocks, married puts/calls, any investigations/inquiries by the SEC or any SRO (FINRA, AMEX, NASD), buyins, fails to deliver or receive or locate stock, charging for loans/borrows that were not made, the market maker

exception/exemption, regulation or any alleged, potential or policy or any laws or regulations.

actual violation of company

We look forward to hearing from you.

Steven

From: Elias, Brad [mailto:belias@OMM.com]

Sent: Friday, December 17, 2010 6:11 PM

To: Steven J. Rosenwasser

Subject: TASER - Court Order

Steven,

If you are planning to come to New York for Melz on Tuesday, we should sit down after the deposition and discuss a variety of issues relating to ML Pro discovery. If not, we can set up a call for Wednesday. We would appreciate you holding off on filing any discovery motions until we can discuss the order. We know you were planning to move on our refusal to produce documents pending resolution of the stay motion, but that is obviously moot right now.

Also, with respect to the ALR information, we have a final call with business personnel on Wednesday and request that you extend our response time until Friday. We believe we will be able to produce relevant data, but this will give us a little additional time to finalize what it will contain.

Regards,

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